

The complaint

Mr D and Mrs D complain about delays they say were caused by more 2 life Ltd and their solicitors when taking out a lifetime mortgage. They're unhappy that as a result of the delays, their mortgage offer expired and they ended up having to borrow the funds on a higher rate of interest than initially agreed.

What happened

In September 2022 Mr D and Mrs D applied for a lifetime mortgage with more 2 life via a broker. more 2 life offered to lend Mr D and Mrs D £123,200 with an interest rate of 5.7%. The offer was issued on 27 September and was valid for 42 days.

Mr D and Mrs D's solicitors (who I'll refer to as solicitor A) sent more 2 life's solicitors (who I'll refer to as solicitor B) the necessary paperwork for the mortgage completion on 9 November by post. The mortgage hadn't completed by the offer deadline, and so more 2 life extended the deadline to 20 December 2022. Solicitor A sent emails to chase progress on 2 and 12 December as they hadn't heard anything. On 21 December solicitor B requested the buildings insurance certificate from solicitor A. This was returned the same day by email, although solicitor A were satisfied this had already been sent and must have been mislaid by solicitor B. The mortgage offer was extended again until 15 January 2023.

There was no action taken over the festive period and so the mortgage still hadn't completed by 15 January. more 2 life said they couldn't extend the offer any further, and issued a new mortgage offer but at a higher interest rate of 8.93%, which they said was the interest rate being offered to borrowers at that time. Solicitor B requested the buildings insurance certificate again on 18 January, and emails were exchanged throughout February requesting different amendments to Mr D and Mrs D's details and address on documents at the request of more 2 life. The mortgage eventually completed on 16 March 2023.

Mr D and Mrs D complained. They were unhappy with the delays caused by more 2 life and their solicitors which resulted in them having to accept an offer on a higher rate of interest. They also said the delays caused them additional stress and worry as they needed the funds to redeem their existing mortgage.

more 2 life issued their final response letter on 30 March 2023. They accepted that some delays had been caused by solicitor B in February and March, but didn't agree that was the reason why the mortgage did not complete before the expiry of the initial offer. They offered Mr D and Mrs D £250 to apologise for the delays caused.

Mr D and Mrs D brought their complaint to our service. Our Investigator looked into things and upheld the complaint. She was persuaded that if it weren't for the delays caused by solicitor B, Mr D and Mrs D's mortgage would have completed before the extended offer expired on 15 January 2022. As a result, she said in order to put things right more 2 life should do the following:

- Honour the interest rate of 5.7% on the mortgage.

- Rework the account and refund the difference in payments Mr D and Mrs D have made, with 8% simple interest until the date of settlement.
- Increase the compensation to £500 (total) for the distress and inconvenience caused.

Mr D and Mrs D accepted the outcome but more 2 life didn't. They explained that a lot of the delays were out of their and solicitor B's control. They said there were also delays caused by solicitor A which can't be discounted. Solicitor B provided comments and said that whilst there were some delays caused by them, there were still amendments that needed to be made to the documents sent by solicitor A.

The Investigator wasn't persuaded to change her opinion, so the complaint has now been passed to me to issue a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Whilst I have only included a brief summary of the events above, I want to assure all parties that I have considered their submissions, and the detailed timeline of events, in full. For simplicity I have focused on what I believe are the key events that are relevant to the outcome of this complaint.

Having considered the submissions received from all parties, I am upholding this complaint for the same reasons as the Investigator. When I've looked at what's happened, I've considered the direct actions of more 2 life and also those of solicitor B, who whilst operating as a different entity, were acting on behalf of more 2 life in this transaction.

The initial mortgage offer was due to expire in November 2022. I accept it is unlikely the mortgage would have completed before then through no fault of more 2 life or solicitor B, as the paperwork was not sent to them until 9 November. more 2 life extended the mortgage offer twice, with the final deadline of 15 January.

more 2 life and solicitor B have accepted that some unnecessary delays were caused here. Firstly, between 16 November (when they say they received the documents sent by solicitor A on 9 November) and 21 December (when these were reviewed and actioned). And secondly in February and March when there were further delays with completion. Having considered the timeline of events and the actions of all parties, I'm persuaded that if it weren't for those delays, specifically during November and December, it is likely that Mr D and Mrs D's mortgage would have completed before the offer expired on 15 January 2023.

There is a dispute about whether or not the buildings insurance certificate was submitted with solicitor A's papers on 9 November. Whether it was or wasn't, I'm persuaded that had solicitor B reviewed and acknowledged the documents in a timely way, this would have been rectified promptly. As once solicitor B did ask for it again it was returned the same day. I note that throughout January, February and March more amendments were needed to that certificate and other documents in relation to Mr D and Mrs D's address. But each time these were requested, solicitor A made the amendments promptly. The changes were not difficult to make, demonstrated by the fact solicitor A actioned them quickly, but the process still took a long time as there were delays in between solicitor B asking for the information, and also changes to the requests being made by more 2 life and solicitor B.

Another cause of the delay to completion seems to be the redemption of the first charge Mr D and Mrs D had with their existing lender. I'm satisfied having considered the emails

exchanged between solicitor A and solicitor B that this delay was caused by solicitor B. They clarified with solicitor A in October 2022 that they would deal with the redemption of the existing mortgage, but then didn't take any action to sort the redemption until February 2023. It's not clear why.

From looking at the evidence and the timeline of events, it seems that there were significant periods of time when solicitor B were just not taking any action to move things forward. I note they've explained they were moving over to another system during this period, and they've admitted this meant things weren't turned around as quickly as they should have been. I'm satisfied here that this meant Mr D and Mrs D lost out on the mortgage they'd initially agreed to, and it's because of those delays they had to accept the borrowing on a higher interest rate.

I appreciate that more 2 life did extend Mr D and Mrs D's mortgage offer on two occasions to allow more time for the transaction to complete, particularly given this continued over the festive period. But I'm satisfied that given the delays that were caused by solicitor B, the offer should have been extended further to allow Mr D and Mrs D to complete on the same terms that were agreed with more 2 life in September. Solicitor A and Mr D and Mrs D's broker were chasing more 2 life and solicitor B as the completion was necessary to redeem Mr D and Mrs D's existing mortgage. This transaction should not have taken the six months that it did, and I'm satisfied that the responsibility for that delay lies with more 2 life and solicitor B.

Putting things right

I'm satisfied that if more 2 life and solicitor B had not delayed matters unnecessarily here, Mr D and Mrs D's mortgage would have completed before 15 January on the original terms that were agreed in September. As a result, in order to put things right more 2 life should:

- Apply the interest rate of 5.7% to Mr D and Mrs D's mortgage. This will include adjusting the account to reflect that it should have been on this interest rate from completion in March 2023, and so amending the interest that's already been applied.
- Pay Mr D and Mrs D £500 (£250 if £250 has already been paid) for the distress and inconvenience this matter has caused. It's clear this was causing Mr D and Mrs D concern and worry as their existing mortgage needed to be redeemed.

The mortgage offer doesn't require Mr D and Mrs D to make monthly payments towards the mortgage. But in the event they have made any payments, the difference between what they paid and what they should have paid at the interest rate of 5.7% should be refunded to them, along with 8% simple interest* from the date each payment was made until the date of settlement.

* If more 2 life does need to pay this, and considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr D and Mrs D how much it's taken off. It should also give Mr D and Mrs D a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

Considering everything, for the reasons explained, I uphold this complaint and instruct more 2 life Ltd to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 14 February 2024.

Kathryn Billings
Ombudsman